

UNITED STATES DEPARTMENT OF STATE  
BUREAU OF POLITICAL-MILITARY AFFAIRS  
WASHINGTON, DC 20520

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In the Matter of: )  
Leonid Boris Volfson, )  
and )  
Torrey Pines Logic, Inc. )  
Respondents )

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ORDER

WHEREAS, the Directorate of Defense Trade Controls, Bureau of Political-Military Affairs, United States Department of State (“Department”), has notified Leonid Boris Volfson and Torrey Pines Logic, Inc., including its operating divisions, subsidiaries, and business units (individually and collectively “Respondents”), of its intention to initiate an administrative proceeding against them pursuant to section 38(e) of the Arms Export Control Act (AECA), 22 U.S.C. § 2778(e), and its implementing regulations, the International Traffic in Arms Regulations (“ITAR”), 22 CFR Parts 120-130.

WHEREAS, the proposed charges are based on allegations that Respondents violated section 38 of the AECA and part 127 of the ITAR, as set forth in the Proposed Charging Letter, attached hereto and incorporated by reference herein, in connection with the attempted unauthorized export of defense articles; the unauthorized export of defense articles; the involvement in ITAR-regulated activities while ineligible; and the failure to maintain and produce export transaction records.

WHEREAS, pursuant to section 128.11 of the ITAR, the Department and Respondents have entered into a Consent Agreement (attached hereto and incorporated by reference herein), whereby the Department and Respondents have agreed to settle this matter in accordance with the terms and conditions set forth therein.

IT IS THEREFOR ORDERED:

FIRST, that Respondents shall pay in fines and in remedial compliance measures a civil penalty of eight hundred and forty thousand dollars (\$840,000), as stipulated below, in complete settlement of the civil violations arising from facts Respondents have disclosed to the Department in their disclosures assigned the DTCC Case Numbers identified in paragraph 22 of the Consent Agreement and also summarized in the Department's Proposed Charging Letter.

SECOND, one hundred and five thousand dollars (\$105,000) of this civil penalty is to be paid to the Department within ninety (90) days of signing of the Order; one hundred and five thousand dollars (\$105,000) is to be paid within one (1) year from the date of the Order; one hundred and five thousand dollars (\$105,000) is to be paid within two (2) years from the date of the Order; and one hundred and five thousand dollars (\$105,000) is to be paid within three (3) years from the date of the Order.

THIRD, four hundred and twenty thousand dollars (\$420,000) of this civil penalty will be suspended as set forth in paragraph 17(b) of the Consent Agreement on the condition that Respondents apply this amount to Consent Agreement-authorized remedial compliance costs, in all instances determined as set forth in paragraph 17(c) of the Consent Agreement.

FOURTH, that any failure by Respondents to apply suspended penalty funds appropriately for remedial compliance measures or provide satisfactory accounting may result (in accordance with paragraph 17 of the Consent Agreement) in Respondents being required to pay immediately to the Department the amount specified, less credit for amounts the Department deems to have been properly applied and accounted for as expenditures in compliance with the Consent Agreement.


FIFTH, that Respondents shall refrain from participating in export-related activities subject to the ITAR for the term of this Consent Agreement as set forth in paragraph 18 of the Consent Agreement.

SIXTH, the Department recognizes that Respondents agree to waive their rights to raise the defense of statute of limitations with regard to the collection of the civil penalty imposed by the Consent Agreement and this Order, and that the statute of limitations shall be tolled until all terms of the Consent Agreement are satisfied.

SEVENTH, that Respondents, and their assignees and successors, and in the event of reorganization all affected entities or units, shall comply with the compliance measures and its obligations under the provisions of the Consent Agreement and shall do so within the deadlines established therein.

EIGHTH, that the Proposed Charging Letter, the Consent Agreement, and this Order shall be made available to the public.

This Order becomes effective on the day it is signed.

  
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Jessica A. Lewis  
Assistant Secretary

Entered this 21 day of January 2022